REMARKS

Overview

Claims 1, 3-4 and 9-11 are pending in this application. Claims 1 and 9 have been amended and claim 2 has been cancelled. The present response is an earnest effort to place all claims in proper form for immediate allowance. Reconsideration and passage to issuance is therefore respectfully requested.

Rejections Under 35 U.S.C. § 103(a)

The Examiner has rejected claims 1-4 under 35 U.S.C. § 103(a) as being unpatentable over Lockwood et al in view of Goodroe et al and further in view of "For Health Benefits, Point and Click" by Bill Leonard. These rejections are respectfully traversed.

Claim 1 has been amended to more specifically describe the method of projecting health care savings as follows: "wherein the future health care savings are projected based upon historical hospital charges and historical physician charges for the participant, health care network discounts for hospital charges, health care network discounts for physician charges, and a portion of the historical health care costs projected to fall to a health care provider in the network". Support for the amendment is found at page 12 of the Specification. Claim 2 has been cancelled.

The claimed invention is a methodology for creating a virtual PPO network. The virtual PPO is constructed by looking at different states, the usage of the healthcare networks by participants, and consideration of the costs associated with the different health care networks in order to determine which health care network should be part of the virtual PPO network. The claimed invention as a whole is fundamentally different from the cited prior art alone or in

combination.

Lockwood et al is deficient in several respects. For example, Lockwood et al does not disclose the selection of a reduced set of health care networks based on the savings of a health care network. Instead, Lockwood et al describes determining a qualitative performance of a network as well as assessing the performance of individual health care providers within the network. That is, Lockwood et al evaluates health care networks and providers within the network, as opposed to looking at comparisons between different health care networks, which is the essence of the present invention.

So, too, Goodroe et al is fundamentally different than the present invention. Although the portion of Goodroe et al cited by the Examiner discloses calculating total costs and savings for a category of standard health care procedures, Goodroe et al simply does not disclose a method of how to create a virtual health care network which leads to maximized health care savings while minimizing the inconvenience to participants.

Claim 1 requires "computing a measure of network utilization for each of the networks using a computer". Lockwood et al does not disclose or suggest this step. Rather, Lockwood et al simply teaches "monitoring the quality of health care delivered . . . by the network," (Lockwood et al, col. 4, lines 40-46). In fact, the subject limitation of claim 1 is not disclosed in any of the cited prior art references. For this reason alone, the rejection must be withdrawn.

The Leonard reference fairs no better. To be sure, Leonard is an article which discusses the advantages and disadvantages of creating health benefit web sites. However, conspicuously absent from Leonard is any disclosure or suggestion of a method of how to create a virtual health care network. A passing reference to "virtual preferred provider organizations (PPO) or health maintenance organizations (HMO)" fails to disclose anything about the specific method claimed

in the present application for creating such a network. Applicant made clear in the Specification that prior art attempts have been made to select a health care network based on GEO access data and the like, but there were many problems and deficiencies in such method that the present application solves. Nothing in Leonard teaches or suggests the solutions to the problems as described in the claimed invention.

There is an independent reason for patentability of claim 1. Claim 1 has been amended to more specifically describe how the health care savings are projected. In particular, both historical hospital charges and historical physician charges are identified with applicable discounts applied to both. Consideration of these factors, among other things described in the claim, provides more meaningful information regarding projected savings. None of the references cited by the Examiner disclose or suggest projecting savings using the methodology in claim 1 as amended. The Examiner has previously cited Lockwood et al for teaching the calculation of projected health care savings. Lockwood et al, however, merely discloses the use of standard benchmarks for different procedures in order to evaluate and monitor costs of particular medical claims. Lockwood et al does not disclose the limitation of "projecting" future health care savings based on those benchmarks or as described in claim 1 as amended. Therefore, it is respectfully requested that the rejections be withdrawn.

Claims 9-11 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Lockwood et al in view of Goodroe et al.

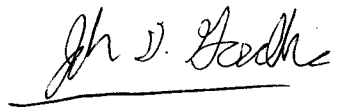
Claim 9 has been amended similar to claim 1 to more specifically describe the methodology for computing projected health care costs savings. Accordingly, for the reasons previously discussed, the claims are patentably distinguishable over the prior art and should be allowed.

Conclusion

As all pending claims are patentably distinguishable over the cited prior art, all rejections should be withdrawn and the Examiner should find all claims allowable.

No fees or extensions of time are believed to be due in connection with this amendment; however, consider this a request for any extension inadvertently omitted, and charge any additional fees to Deposit Account No. 26-0084.

Respectfully submitted,



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